



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Allocate Public Benefit Program Funds to Five Energy Efficiency Rebate Programs For the **2007-08** Fiscal Year (\$250,000) (EUD)

MEETING DATE: August 1, 2007

PREPARED BY Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to allocate Public Benefit Program funds to five Energy Efficiency Rebate Programs for the 2007-08 fiscal year (\$250,000).

BACKGROUND INFORMATION:

Lodi Appliance Rebate Program- \$35,000

Since 1999, the Lodi Electric Utility Department (EUD) has maintained the *Lodi Appliance Rebate Program*, providing rebates for various energy efficient home appliances. Since the programs inception, thousands of Lodi residents and business owners have participated in this program.

For the fiscal year 2007-2008, the **EUD** is recommending that **\$35,000** in Public Benefit Program funds be allocated to extend this successful program. Under the program, eligible customers would receive the following rebates:

- > EnergyStar® refrigerator \$50 rebate;
- > EnergyStar® dishwasher \$25 rebate; and
- > EnergyStar® clothes washer \$75 rebate.

To qualify for a rebate, customers must purchase the aforementioned home appliance(s) from one of the six participating Lodi retailers, including: Anderson Maytag, Ben's Appliance, Kundert & Bauer, Les' Appliance, Lowe's of Lodi, and Reo's Appliance.

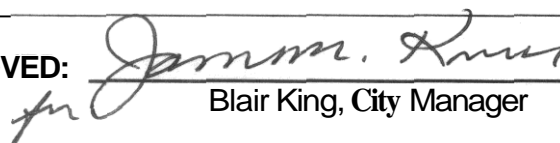
EnergyStar® appliances consume, on average, twenty percent to thirty-five percent less electricity annually than a standard home appliance (refrigerator, dishwasher and clothes washer), which makes the purchase and installation of a high efficiency home appliance an extremely attractive, and cost effective energy conservation measure.

Lodi Energy Efficient Home Improvement Rebate Program- \$40,000

In 2003, the City of Lodi **EUD** introduced the **Lodi Energy Efficient Home Improvement Rebate Program (LEEHIRP)**. This program provides various rebates to residential customers who purchase and install designated and approved energy conservation measures. For the 2007-2008 fiscal year, the EUD is proposing the following conservation measures, and rebate amounts:

- > air duct replacement \$700
- > air duct repair \$250
- > HVAC* system performance test \$100 per HVAC repair or replacement

APPROVED:


Blair King, City Manager

> high efficiency central air cond.	\$175	(must install 14+ SEER— HVAC unit or 13 SEER rooftop unit with variable speed drive)
> ultra-high efficiency central air cond.	\$275	(must install 17+ SEER HVAC unit)
> attic/wall insulation	\$ 0.15/sq. ft.	(must increase attic insulation to an R-38 and wall insulation to an R-8 energy efficiency value)
> radiant barrier/thermal shield	\$150	
> whole house fan	\$100	
> attic fan	\$ 40	
> shade screens/window tinting	\$ 0.50/sq. ft.	

Note- The *maximum allowable* rebate under this program is \$350 per customer service address, with an *additional* \$250 allowance for air duct repairs, *or* an additional \$700 allowance *for* air duct replacement, *if* eligible. Customers *must* also consent to potential *pre-* and *post-*inspections of their *property*. In addition, in order to qualify for either high efficiency central air conditioner rebate mentioned above, the customer must address any recommended air duct repair *or* *replacement* issues.

By installing some. *or* all. of the aforementioned *energy* conservation measures, residential customers may decrease monthly energy consumption from five percent, to as much as thirty percent (the actual energy savings will vary depending upon the number of conservation measures installed, the quality of installation and personal energy use patterns).

- HVAC – heating, ventilation *and* air conditioning
- ** SEER – seasonal energy efficiency rating

Lodi G-1 Commercial Rebate Program- \$20,000

This program, first introduced in 1999, provides rebates to commercial customers under the electric rate classification of G-1. *Specifically*, the program offers a *dollar-for-dollar* rebate of up to \$200 *for* the purchase and installation of *any/all* of the following energy conservation improvements:

- ceiling fans; attic *fans/ventilators*; weather-stripping; attic insulation; air duct *replacements/repairs*; window tinting/shade screens/awning covers; HVAC/refrigeration (such as an annual diagnostic and preventative maintenance service for each HVAC unit and/or refrigeration system).

In addition, *eligible customers* may receive a rebate of 15 percent *or* \$750 (*whichever amount is less*), for installing a high efficiency mechanical *system* (13+ SEER air conditioner). *or* a lighting *improvement/retrofit*.

Participating customers must be on the published G-1 electric rate schedule, current on all City of Lodi utility charges and consent to a potential pre- and post-inspection. Since the programs inception, over 625 small businesses have reduced energy consumption by installing *some* or all of the aforementioned energy efficiency measures. and received a rebate from the City *of* Lodi. The average annual energy savings that can be achieved is 5 percent to 25 percent, depending upon the energy efficiency *measure(s)* installed.

Lodi G-2 Commercial Rebate Program- \$30,000

This is a new program *proposed* for the 2007-2008 *fiscal* year. The rebates are designed specifically for commercial customers assigned to the G-2 electric utility rate. Eligible customers may receive a rebate of up to \$5,000 for purchasing *and* installing *any/all* of the *following* energy conservation measures: building automation/energy management control systems, lighting retrofits, chiller & mechanical equipment change *outs*, annual HVAC/refrigeration service or maintenance, and special projects.

Adopt **Resolution Authorizing the City Manager to Allocate Public Benefit Program Funds to Five Energy Efficiency Rebate Programs** For the **200708 Fiscal Year (\$250,000)** (EUD)
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An approved rebate under this program calls for a minimum 10 percent energy savings, and the total rebate available is \$5,000 in a 12-month period for qualifying projects (one per customer of record). The rebate is calculated on total kilowatt-hour (Wh) savings; for the fiscal year 2007-2008, the rebate per kWh savings will be **\$0.15/kWh** (thus, if a customer develops, and presents to the utility, a project that will Save 20,000 kWh in a year, the total rebate will be \$3,000; 20,000 kWh 'x' \$0.15/kWh = \$3,000).

Lodi G-3 to I-1 Commercial/Industrial Rebate Program- \$125,000

For the 2007-2008 fiscal year, the EUD is proposing to continue this program, with a total budget of \$125,000 for rebates. Eligible customers, assigned to the **G-3, G-4, G-5, or I-1** electric utility rate, will have the opportunity to receive a maximum rebated **\$12,500** for qualifying projects, including: lighting retrofits, process/manufacturing equipment & heavy refrigeration improvements, chillers & mechanical equipment change-outs, building automation/energy management control systems improvements, and building envelope retrofits.

An approved rebate will be based upon the following criteria:

- a minimum of 10 percent electric energy savings per energy efficiency measure installed;
- a minimum of 10 percent operations and maintenance savings per energy efficiency measure installed;
- inclusion of all required engineering, design, labor, and materials documentation (a customer seeking a utility rebate must provide a detailed description of the energy efficiency project; calculated energy savings audit associated with the project; calculated operations and maintenance savings associated with the project; total "turn-key" cost of the project; design/engineering specifications, design drawings, equipment manufacturer cut sheets; baseline energy consumption data of the existing equipment being removed).

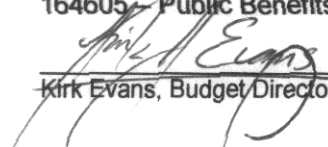
The ~~total~~ rebate available per City of Lodi fiscal year (one per customer of record) is **\$12,500** for qualifying projects. The rebate is calculated on total kilowatt-hour (kWh) savings; for the fiscal year 2007-2008 program, the rebate per kWh of savings will be \$0.15 (thus, if a customer develops, and presents to the utility, a project that will Save 50,000 kWh in a year, the total rebate will be \$7,500; 50,000 kWh 'x' \$0.15 = \$7,500).

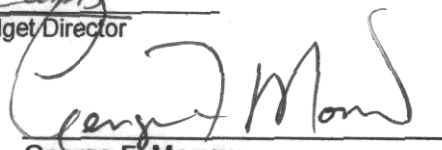
The EUD respectfully recommends approval of these five (5) programs as qualifying components of the City of Lodi Public Benefits Program, under the category of demand-side management or energy conservation.

(* Eligible customer: must be a City of Lodi Electric Utility customer)

FISCAL IMPACT: \$250,000

FUNDING AVAILABLE: 164605- Public Benefits Program (Category: Demand-side Management)


Kirk Evans, Budget Director


George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service & Programs

GFM/RL/1st

RESOLUTION NO. 2007-156

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO ALLOCATE PUBLIC BENEFIT PROGRAM
FUNDS TO FIVE ENERGY EFFICIENCY REBATE PROGRAMS
FOR THE 2007-08 FISCAL YEAR

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to allocate \$250,000 in Public Benefits Program funds for the following rebate programs during the 2007-08 fiscal year:

\$ 35,000	Lodi Appliance Rebate Program
\$ 40,000	Lodi Energy Efficient Home Improvement Rebate Program
\$ 20,000	Lodi G-1 Commercial Rebate Program
\$ 30,000	Lodi G-2 Commercial Rebate Program
\$125,000	Lodi G-3 to I-1 Commercial/Industrial Rebate Program

Dated: August 1, 2007

I hereby certify that Resolution No. 2007-156 was passed and adopted by the Lodi City Council in a regular meeting held August 1, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce,
and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk